

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

HM&FW Department - Aarogyasri Health Insurance Scheme – Strengthening of Government Hospitals under the control of DME / Commissioner, APVVP for Improved Participation and performance under Aarogyasri scheme – Creation of revolving fund and allocation of amounts to hospitals for infrastructural facilities – Orders – issued.

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HEALTH, MEDICAL & FAMILY WELFARE (K2) DEPARTMENT

G.O.Rt.No. 891

dated: 14th July 2009

**(1)Preamble:**

The innovative Aarogyasri Health Insurance PPP scheme is being implemented in the State from April 2007 to provide financial protection up to Rs.2.00 lakhs in a year to the families living Below Poverty Line (BPL) for the treatment of serious ailments requiring hospitalization and surgery through identified health care providers. This scheme was extended to the entire State in a phased manner. This scheme provides free diagnostic and treatment facility for all the eligible patients, irrespective of surgery. The entire operation of the scheme is cash less. It is a unique technology led intervention that directly empowers rural poor, brings best of the medical facilities and enhances the dignity and quality of life of the poor.

**(2)Performance of Government Hospitals:**

After studying the present performance levels of Government Hospitals under Aarogyasri scheme, the Government is of the opinion that there is vast scope to enhance the performance of Government hospitals under this scheme. Accordingly, after detailed deliberations the Government have decided that the participation of Government Hospitals under the control of Director of Medical Education and A.P. Vaidya Vidhana Parishad under Aarogyasri programme should be enhanced to reach 30% by March 2010.

**(3)Strengthening of Government Hospitals:**

During discussions at the workshop held at Dr. MCR Human Resource Development Institute on 20-6-2009, it was highlighted that infrastructural facilities in certain Teaching hospitals, Headquarters hospitals and Area hospitals need to be strengthened to enable these hospitals to enhance their participation and improve the performance under Aarogyasri. For this purpose the HOD's concerned have requested for additional financial allocation to the hospitals concerned, also empowering the Superintendents of the Hospitals to fill the critical gaps in the matter of procuring essential equipment and securing the services of technicians. For this purpose it was suggested to create a Revolving fund to meet the requirements of the identified hospitals and this fund shall be recouped from the revenues generated by the Hospitals by providing medical care and treatment under Aarogyasri scheme during the ensuing period of time.

**(4)Creation of Revolving fund:**

Accordingly, after careful examination and consideration of the matter, the Government have decided to create for this purpose a Revolving Fund of Rs.5.00 crores (Rs. five crores only) to be kept at the disposal of the respective Hospital Development Societies, and also empower the Superintendents of the Hospitals to fill the critical gaps in essential equipment supplies and technicians. The revolving fund shall be created by utilizing the funds available with the APHMHIDC on recoupment basis by the Hospitals concerned from the funds received through Aarogyasri Scheme.

**(5)Order:**

Accordingly, the Government hereby order that the Managing Director, APHMHIDC shall provide a sum of Rs.5.00 crores (Rs. five crores only) from the funds available, to create the proposed revolving fund for distribution of amounts among the identified Hospitals. The Director of Medical Education and Commissioner, A.P. Vaidya Vidhana Parishad shall carefully assess the actual requirement of funds in respect of the identified Hospitals duly consulting the Superintendents concerned, allocate the amounts not exceeding the limits shown in column 4 of the table given below and intimate the distribution along with list of identified hospitals to the Managing Director, APHMHIDC for transfer of funds and to the Hospital Development Societies concerned. On receipt of distribution statements from the HODs concerned, the M.D., APHMHIDC shall distribute the earmarked amounts to the Hospital Development Societies of respective hospitals as per the details given in the following table:

Sl. No. 1	Name of the HOD 2	No of Hospitals 3	Amount allocated to each hospital 4	Total (lakhs) 5
1	DME	Teaching Hospitals (12)	12xRs.25 lakhs	300
2	APVVP	Dist. Hqrs. Hospitals (10)	10xRs.11 lakhs	110
3	APVVP	Area Hospitals (15)	15xRs.6 lakhs	90
<b>TOTAL:</b>				<b>500</b>

**(6)Purpose of utilization:**

The amounts so distributed shall be utilized by the recipients only for the following purposes:

1. For procurement of important and essential equipment
2. For procurement of stocks of essential medical and surgical consumables, M& S items; and
3. For making advance payments to the Specialists/ Technicians where hired and called for

**(7)Procedure for Procurement of equipment:**

As regards procurement of vital and essential equipment, the HODs, in consultation with the Superintendents of respective hospitals, shall make judicious assessment of the equipment required immediately based on the anticipated patient load under Aarogyasri Scheme, the Hospital's repaying capacity and finalize the list on priority basis. Thereupon, the Superintendents concerned shall seek approval of the Hospital Development Societies concerned and take further action accordingly for its procurement duly following extant financial rules and purchase procedure.

**(8)Unspent balance:**

Unspent balance, if any, as on 31.03.2010 shall be repaid to the APHMHIDC by 15 April 2010.

**(9)Procedure for recoupment:**

The payback period of the revolving fund shall be twelve (12) months commencing from September 2009. The total amount drawn from the revolving fund by the respective Hospitals shall be repaid on monthly to the APHMHIDC at 8% during first 11 months and the balance in the 12<sup>th</sup> month (August 2010). The repayment shall be made from the funds received by the respective Hospitals under Aarogyasri scheme. Short fall, if any, in any one month should be made good in the succeeding month with no facility of cumulative carry over.

**(10) Accounts Keeping:**

All the beneficiary hospitals shall maintain a Cash Book in APTC form 5 (model format appended) to record the receipts and payments in this regard.

For purpose of watching prompt repayment of amount received from the revolving fund a control record as per the format 'B' enclosed shall be maintained by the respective Hospitals and entries are made therein with authentication till the repayment is concluded.

The Director of Medical Education, A.P., Hyderabad / Commissioner, Andhra Pradesh Vaidya Vidhana Parishad, Hyderabad / Managing Director, Andhra Pradesh Health & Medical Housing & Infrastructure Development Corporation, Hyderabad shall take necessary further action in the matter accordingly.

This order issues with the concurrence of Finance Department vide their U.O.No.6446/149/A1/Expr.M&H.1/09, dt.30-6-2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**J.SATYANARAYANA  
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Director of Medical Education, Hyderabad.  
The Commissioner, A.P. Vaidya Vidhana Parishad, Hyd.  
The Managing Director, APHMHIDC, Hyderabad

**Copy to**

The Chief Executive Officer, Aarogyasri Health Care Trust, Hyderabad.  
The Finance (Expr.M&H-1) Dept.,  
The P.S. to Prl. Secy. to C.M.  
The P.S. to M (A.S., HI., 104,108 & Medl. Infra.)  
The HM&FW (G) Department.  
S.F. / S.Cs.

//FORWARDED::BY ORDER//

SECTION OFFICER

**Model format 'B'**

**Register showing the details of installments paid towards repayment of amounts received from the revolving fund**

**1. Name of the Hospital:** .....

**2. Amount received:** .....

**3. No. of installments:** **12 (nine)**

**4. Amount per installment** **Rs.....**

Sl.No.	Month in which repaid	Amount repaid	Cheque/ DD No. and date	Installment Number	Balance	Initial of Officer i/c	Remarks
<b>1</b>	<b>Sep.09</b>						
<b>2</b>							
<b>3</b>							
<b>4</b>							
<b>5</b>							
<b>6</b>							
<b>7</b>							
<b>8</b>							
<b>9</b>							
<b>10</b>							
<b>11</b>							
<b>12</b>							

**C.No.10184/K2/2009**

**Dt: 27.06.2009**

Sub: HM&FW Department - Aarogyasri Health Insurance Scheme – Strengthening of Government Hospitals under the control of DME /Commissioner, APVVP for Improved Participation and performance under Aarogyasri scheme – Creation of revolving fund and allocation of amounts to hospitals for infrastructural facilities – Regarding.

Ref: Minutes of the Meeting held by the Hon'ble CM on Health Sector Reforms on 17 June 2009

Based on the points at 1 and 2 of the approved minutes, after discussions with the Prl. Secretary and based on the brief received, the draft GO proposed by the Section on the above subject has been revised amplifying the contents and highlighting the headings for proper appreciation.

The draft of the revised GO is submitted along side for kind perusal and approval for sending it to the Finance Department for its concurrence before issue.

**Fin. Advr.**

**Prl. Secretary**